

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2897 - SB 3033

March 18, 2012

SUMMARY OF BILL: Grants adoption preference to a relative over a foster parent where a child has had substantial contact and interaction with such relative.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$7,585,800

Increase Federal Expenditures - \$4,870,000

Assumptions:

- Currently, if a child has lived in a foster home for a period of 12 months, and becomes available for adoption, first preference is provided to the foster parents.
- According to the Department of Children's Services (DCS), this proposed legislation will increase expenditures of the Department.
- According to DCS, it takes 6 months, or 180 days, of additional time in custody prior to a relative other than a foster parent to adopt.
- According to DCS, there are currently 700 children with a resource parent.
- It is estimated that 90 percent, or 630 children, will be adopted by resource parents.
- According to DCS, the average length of stay for each child will be 180 days.
- According to DCS, the average cost per day is \$96 resulting in a recurring increase in expenditures of \$10,886,400 (630 children x 180 days x \$96).
- Of the \$10,886,400, seven percent (\$762,048) will be Title IV-E federal funds; 49 percent (\$5,334,336) will be through TennCare; and 44 percent (\$4,790,016) will be state funds.
- Of the \$5,334,336 in TennCare funds, \$1,803,646 are state funds at a rate of 33.812 percent and \$3,530,690 are federal funds at a 66.188 percent match rate.
- It is estimated that DCS will need 21 additional case managers resulting in a recurring increase in state expenditures of \$1,297,800 [(\$34,400 salary + \$12,400 benefits + \$15,000 for communications, networking, travel, and supplies) x 21 positions].
- It is estimated that DCS will need four additional team leaders resulting in a recurring increase in state expenditures of \$271,600 [(\$38,900 salary + \$14,000 benefits + \$15,000 for communication, networking, travel, and supplies) x 4 positions]. Of the total increase of \$1,569,400 (\$1,297,800 + \$271,600), seven percent (\$109,858) will be

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Title IV-E federal funds; 45 percent (\$706,230) will be through TennCare; and 48 percent (\$753,312) will be state funds.

- Of the \$706,230 in TennCare funds, \$238,790 are state funds at a rate of 33.812 percent and \$467,440 are federal funds at a 66.188 percent match rate.
- Total recurring increase in state expenditures is estimated to be \$7,585,764 (\$4,790,016 + \$1,803,646 + \$753,312 + \$238,790).
- Total increase in federal expenditures of \$4,870,036 (\$762,048 + \$3,530,690 + \$109,858 + \$467,440).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/jdb